



ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

19 October 6, 2015

Los Angeles County
Board of Supervisors

Hilda L. Solis
First District

Mark Ridley-Thomas
Second District

Sheila Kuehl
Third District

Don Knabe
Fourth District

Michael D. Antonovich
Fifth District

September 29, 2015

PATRICK O'GAWA
ACTING EXECUTIVE OFFICER

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**APPROVAL TO ACCEPT A GRANT FROM THE HEALTH RESOURCES
AND SERVICES ADMINISTRATION AND AMEND AN AGREEMENT WITH
HEALTH MANAGEMENT ASSOCIATES FOR CONSULTANT SERVICES
(ALL SUPERVISORIAL DISTRICTS)
(3 VOTES)**

Mitchell H. Katz, M.D.
Director

Hal F. Yee, Jr., M.D., Ph.D.
Chief Medical Officer

313 N. Figueroa Street, Suite 912
Los Angeles, CA 90012

Tel: (213) 240-8101
Fax: (213) 481-0503

www.dhs.lacounty.gov

*To ensure access to high-quality,
patient-centered, cost-effective
health care to Los Angeles County
residents through direct services at
DHS facilities and through
collaboration with community and
university partners.*

SUBJECT

Request approval to accept a grant from the Health Resources and Services Administration and to amend the Consultant Services Agreement with Health Management Associates for the purposes of: adding deliverables to the Statement of Work for the Department of Health Services; adding a Statement of Work for a Department of Public Health project; increasing the contract sum; extending the Agreement term; and making non-substantive programmatic and/or administrative adjustments to the Agreement.

IT IS RECOMMENDED THAT THE BOARD:

1. Delegate authority to the Director of Health Services (Director), or his designee, to accept a grant from the Health Resources and Services Administration (HRSA), for \$500,000 for the period of July 1, 2015 through June 30, 2016, with provisions for up to an additional two years of grant funding at \$500,000 for each year, subject to availability of HRSA funds and satisfactory progress on the project, and to execute a grant agreement and any related HRSA grant documents, subject to review by County Counsel, to develop and implement a Nurse Leaders program of education through the Nurse Education Practice Quality and Retention Project (NEPQRP), for the Department of Health Services (DHS).



www.dhs.lacounty.gov

2. Delegate authority to the Director, or his designee, to execute future amendments as required, as part of the HRSA grant award, including but not limited to any extension periods and associated grant award amounts, administrative changes, or programmatic changes, subject to prior review and approval by County Counsel.

3. Authorize the Director of Health Services (Director), or his designee to execute an amendment to Consulting Services Agreement No. H-704934 (Agreement) with Health Management Associates (HMA), effective upon execution to: (i) add deliverables to the Statement of Work (SOW) for DHS; (ii) add a new SOW for project deliverables to be performed for Department of Public Health (DPH); (iii) increase the contract sum of the Agreement by \$1,225,000 for a total amount of \$3,102,806; and (iv) extend the Agreement term for the period January 1, 2016 through December 31, 2016 with an option to extend the term for two additional one year periods.

4. Delegate authority to the Director, or his designee to execute amendments to the HMA Agreement to: (i) revise tasks and deliverables and adjust the SOW; (ii) make non-substantive programmatic and/or administrative adjustments to the Agreement; (iii) exercise the extension options where necessary to finish projects; and (iv) in the event the additional two years of HRSA grant funding, at \$500,000 for each year, is awarded to DHS, increase the Agreement contract sum to reflect this subsequent HRSA grant funding.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

HRSA Grant

DHS initially applied, with Patricia Dennehy Consulting Services (PDCS) as co-applicant, for a three year HRSA grant for the NEPQRP with an expected award date of July 1, 2014. This would have resulted in a \$500,000 award for an initial one year period, with two additional one year periods pending satisfactory progress at the end of each grant award year. In anticipation of that grant, DHS obtained Board approval on June 10, 2014 to accept the grant, and also enter into a sole source agreement with PDCS to develop and implement the grant funded project. After the Board action, HRSA notified DHS that a grant would not be awarded for that period, and therefore DHS did not enter into the intended agreement with PDCS.

DHS was recently notified that HRSA would fund the grant for the NEPQRP for the period of July 1, 2015 through June 30, 2016 at the originally requested first year amount of \$500,000, with two further one-year options for additional grant funding at \$500,000 for each one-year period. Although the Board previously authorized DHS to accept the grant, DHS is restating its original request for authority because the new time period stated in the first recommendation is different from the time period in the original request. Approval of the second recommendation will provide DHS with the flexibility to amend the HRSA grant in a timely manner, if warranted in the future.

As part of the initial HRSA grant application process, applicants are responsible for identifying all strategic partners at the time of application submission. DHS's Office of Nursing Affairs identified PDCS as its strategic partner and Dr. Patricia Dennehy, the Principal of PDCS, as its Project Director. Since the initial grant submission, PDCS has dissolved and Dr. Dennehy, has joined HMA. Prior to joining HMA, Dr. Dennehy, as the principal at PDCS, was the recipient of numerous HRSA grants for the development of similar innovative clinical programs. HRSA evaluates grant submissions based on the qualifications of applicants and their strategic partners, as well as on the

appropriateness of project budget requests.

Selection of PDCS as DHS' strategic partner was crucial to securing the HRSA grant and helps assure the success of the project. PDCS was selected as the DHS strategic partner and was named in the initial HRSA grant application based on the firm's experience. In the interim, Dr. Dennehy and her firm moved under the umbrella of HMA. Dr. Dennehy is still proposed to be the project director of Inter-Professional Collaborative Practice (IPCP) even though the firm is now part of HMA. Therefore, in order to hold to the requirements of the grant, the project will be included as an additional SOW under the current HMA agreement.

Addition of the HRSA Grant under the HMA Agreement meets the following Sole Source criteria:

- Service provider is required under the provisions of a grant or regulatory requirement.
- Services are needed to address an emergent or related time-sensitive need

NEPQRP Project Background

The NEPQRP aims to develop leadership, communication and a collective decision-making process that includes all team members. This will be accomplished by implementing a sustainable IPCP environment in the DHS Ambulatory Care Network (ACN), and nurse education systems elsewhere in DHS. The plan is for each team member to take responsibility for leadership in the aspects of patient care that their respective role requires. DHS is also partnering with the University of California, Los Angeles School of Nursing and California State University, Los Angeles, School of Nursing to include all levels of nursing students on Patient Centered Medical Home (PCMH) teams as a clinical rotation, pursuant to Board approved affiliation agreements.

An IPCP fosters communication among health care providers, as well as with patients, families, communities, and other health professionals in a responsive and responsible manner that supports a team approach to health maintenance and patient care. The primary long term goal of this project is to implement changes in the ACN's delivery of care that improves the quality of healthcare, while achieving cost effectiveness. In addition, this project will help DHS prepare for the increase in need for primary care access resulting from the implementation of the Affordable Care Act.

HMA Amendment

Approval of the third recommendation will allow the Director to execute an Amendment to the current HMA Agreement to amend the SOW to add deliverables that will: (i) encompass the NEPQRP work required by the HRSA grant; and (ii) support the jail healthcare reorganization.

DPH SOW

The proposed amendment also includes an additional SOW that will enable HMA to provide consulting services for a sustainable revenue cycle management system for DPH. HMA previously provided similar consulting services for the DHS revenue cycle and DPH would like to take advantage of HMA's expertise in this area. In anticipation of the forthcoming multi-agency organization which will include DHS, DPH, and the Department of Mental Health (DMH), DHS is proactively adding DPH to the Agreement. As a result of the additional work and time for completion, the Agreement's contract sum needs to be increased and term extended, as it is currently scheduled to expire December 31, 2015.

Addition of the DPH SOW under the HMA Agreement meets the following Sole Source criteria:

- Services are needed to address an emergent or related time-sensitive need.
- It is more cost-effective to obtain services by exercising an option under an existing contract.

Approval of the fourth recommendation will allow the Director to execute future Amendments to the HMA Agreement for the purpose of revising tasks and deliverables, adjusting the statements of work, making non-substantive administrative or programmatic changes, exercising optional extension periods and increasing the contract sum if the additional HRSA grant funds are awarded to DHS.

Jail Healthcare Initiative

On March 3, 2015, the Board of Supervisors directed DHS, DMH, DPH, and the Los Angeles County Sheriff's Department to create a report summarizing the status of jail health services in Los Angeles County, including issues pertaining to physical health, mental health, and public health. The report is also to outline a proposed approach and strategy to address these issues and develop a plan to create a single, integrated jail health services unit that consolidates the currently separate jail health services functions under a single Correctional Health Director within DHS. HMA is experienced in providing consulting services for jail/prison health care programs.

Addition of the Jail Healthcare Reorganization under the HMA Agreement meets the following Sole Source criteria:

- Services are needed to address an emergent or related time-sensitive need.
- It is more cost-effective to obtain services by exercising an option under an existing contract.

Implementation of Strategic Plan Goals

The recommended actions support Goal 1, Operational Effectiveness/Fiscal Sustainability, of the County's Strategic Plan.

FISCAL IMPACT/FINANCING

The total maximum contract sum is \$3,102,806 which includes an increase in the maximum obligation of \$1,225, 000. The increase is comprised of:

DHS: The DHS Fiscal Year (FY) 2015-16 Final Budget includes funding of \$500,000 for the NEPQRP; and \$600,000 to support jail healthcare reorganization, and will be requested in future fiscal years.

DPH: The DPH FY 2015-16 Final Budget includes funding of \$125, 000 and will also be requested in future fiscal years.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The HRSA grant award documents have been reviewed by County Counsel.

The HMA Agreement has all of the County's required terms and conditions. County Counsel will

approve the amendment as to form prior to execution.

CONTRACTING PROCESS

The HMA Agreement is an existing contract that will be amended.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the recommended actions will enable DHS to implement inter-professional collaborative principles which will help accelerate the growth of the PCMH at each participating site and throughout DHS, help DHS to support jail healthcare reorganization, and assist DPH to develop a sustainable revenue cycle management system that will make for a more efficient health care system in Los Angeles County

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Mitchell Katz". The signature is fluid and cursive, with the first name "Mitchell" written in a larger, more prominent script than the last name "Katz".

Mitchell H. Katz, M.D.

Director

MHK:db

c: Chief Executive Office
County Counsel
Executive Office, Board of Supervisors
Department of Public Health
Department of Mental Health
Sheriff's Department